

Message Text

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INFO OCT-01 ISO-00 /004 R

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DRAFTED BY:IO:DLCARDWELL:HS

APPROVED BY:IO:WBBUFFUM

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P 131615Z JAN 75

FM SECSTATE WASHDC

TO USMISSION USUN NEW YORK PRIORITY

UNCLAS STATE 003593

FOLLOWING REPEAT FOR YOUR INFO STATE 003593 SENT ACTION CARACAS
QUITO INFO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS, USCINCSO DTD
JANUARY 8TH:
QUOTE UNCLAS STATE 003593

E.O. 11652:N/A

TAGS:PFOR, VE, CU

SUBJECT: PRESS GUIDANCE ON TRADE REFORM ACT

FOLLOWING EXCHANGE OCCURRED AT STATE DEPARTMENT NOON
BRIEFING JANUARY 7:

DEPARTMENT SPOKESMAN: WE HAVE HAD A NUMBER OF QUESTIONS IN
THE LAST DAY OR SO ABOUT REPORTS IN THE PRESS OF PROTESTS
BY SOME -- OR CONCERN, I MIGHT SAY -- BY SOME LATIN
AMERICAN COUNTRIES ABOUT THE TRADE BILL. AND SPECIFICALLY
REPORTS FROM ECUADOR AND FROM VENEZUELA. AND ON THAT, I
WANTED TO SAY THIS, IN ANSWER TO THESE QUESTIONS. THE NEW
LAW IS OBVIOUSLY DISCRIMINATORY AS IT RELATES TO PREFEREN-
CES IN THE PARTICULAR CASE OF ECUADOR, FOR EXAMPLE. AS YOU
KNOW, ECUADOR EXPORTS VERY LITTLE OIL. IT IS A POOR
COUNTRY, AND ALTHOUGH AN OPEC MEMBER, IT DID NOT EMBARGO
ANY SHIPMENTS TO US LAST YEAR.

THE LEGISLATION OVERALL INCLUDES A NUMBER OF PROVISIONS
WHICH WILL HELP THE ECONOMIC DEVELOPMENT OF THE DEVELOPING
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COUNTRIES.

THE PRESIDENT CANNOT APPROVE PART OF THE LAW AND VETO PART. SO THIS BILL WAS SIGNED, BECAUSE ON NET BALANCE, THE LAW IS IN THE GENERAL INTEREST OF THE DEVELOPING COUNTRIES, AS WELL AS IN OUR OWN INTEREST.

THE SECRETARY TESTIFIED AGAINST THE PROVISION WHICH AUTOMATICALLY EXCLUDES ALL OPEC MEMBERS. PRESIDENT FORD SAID, WHEN HE SIGNED THE BILL, "I REGRET THE RIGIDITY AND UNFAIRNESS IN THESE PROVISIONS, ESPECIALLY WITH RESPECT TO CERTAIN OIL-PRODUCING COUNTRIES. I AM NOW UNDERTAKING THE FIRST STEPS TO IMPLEMENT THIS PREFERENCE SYSTEM BY THIS SUMMER. MOST DEVELOPING COUNTRIES ARE CLEARLY ELIGIBLE, AND I HOPE SOME BROADER PARTICIPATION CAN BE POSSIBLE BY THAT TIME." THIS IS A QUOTE FROM WHAT THE PRESIDENT SAID.

NOW, THE NEW LEGISLATION IS ENTIRELY TOO RIGID, AND MAKES IT IMPOSSIBLE FOR US TO TAKE ACCOUNT OF PARTICULAR INSTANCES OF UNFAIRNESS -- AS IN THE CASE OF ECUADOR -- AS WELL AS OUR HISTORIC TIES OF COOPERATION THROUGHOUT THIS HEMISPHERE, SUCH AS WITH VENEZUELA.

WE WILL TALK TO CONGRESSIONAL LEADERS IN A VERY FEW DAYS --

Q: IS THIS THE PRESIDENT?

A: NO, THIS IS THE STATEMENT THAT I AM READING HERE. -- IN A VERY FEW DAYS TO SEE WHAT CAN BE DONE --

Q: WHO IS "WE"?

A: THE SECRETARY OF STATE.

Q: YOU ARE SPEAKING NOW ON THE SECRETARY'S BEHALF, IS THAT RIGHT?

A: YES. -- TO CONGRESSIONAL LEADERS IN A VERY FEW DAYS TO SEE WHAT CAN BE DONE TO REMOVE SUCH INEQUITIES.

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Q: IS THAT THE END OF THE STATEMENT?

A: YES.

Q: CAN YOU TELL US A COUPLE OF THINGS? ARE WE CERTAIN THAT ECUADOR WILL BOYCOTT THE BUENOS AIRES MEETING, AS REPORTS FROM THERE SAID THEY WOULD? AND, SECONDLY, CAN YOU GIVE US SOME IDEA OF ECUADOR'S OIL SHIPMENTS DIRECTLY

TO THE UNITED STATES -- BECAUSE YOU MADE REFERENCE TO THEIR NOT -- I AM NOT SAYING ECUADOR'S OIL PRODUCTION, I AM SAYING FROM ECUADOR DIRECTLY TO THE UNITED STATES -- BECAUSE THEIR OIL WENT TO PLACES THAT THEN DIDN'T SHIP IT TO US. SO I AM ASKING ABOUT DIRECT SHIPMENTS.

A: LET ME TAKE THAT PART OF YOUR QUESTION. I WILL HAVE TO TAKE THAT.

Q: AND THE B.A. QUESTION, TOO, IF YOU CAN.

A: ON THE B.A. QUESTION, THE SECRETARY HAS RECEIVED A LETTER FROM HIS COLLEAGUE, THE FOREIGN MINISTER OF ECUADOR, AND THE SECRETARY WILL BE REPLYING TO THAT LETTER. AND SO I WOULD JUST LIKE TO LEAVE IT HERE AT THE MOMENT WITH REGARD TO THAT QUESTION. I AM AWARE OF THE PRESS REPORTS YOU ARE REFERRING TO.

Q: WELL, YOU DON'T WANT TO TAKE THE STEP OF TELLING US THIS LETTER GENERALLY IS IN LINE WITH PRESS REPORTS THAT THEY ARE NOT GOING TO ATTEND THE MEETING AT THIS POINT?

A: WELL, ALL I WOULD LIKE TO SAY AT THIS STAGE IS THAT THE LETTER RAISED THE QUESTION OF THE RESTRICTIONS IN OUR TRADE LEGISLATION AGAINST THE OPEC COUNTRIES, OF WHICH ECUADOR IS A MEMBER. I WOULD LIKE TO LEAVE IT THERE, NOW.

Q: YOU DON'T WANT TO GET INTO WHETHER IT MENTIONED THE MEETING OR NOT.

A: NO. I WOULD RATHER LEAVE IT THERE, BECAUSE THE SECRETARY OBVIOUSLY WILL BE REPLYING TO THE FOREIGN UNCLASSIFIED

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MINISTER.

Q: WHAT YOU SAID ABOUT ECUADOR, DOES IT ALSO HOLD FOR VENEZUELA? VENEZUELA IS ALSO AN OPEC COUNTRY, AND SAID THEY WERE GOING TO BOYCOTT BUENOS AIRES, TOO.

A: I AM UNAWARE OF ANY COMMUNICATION FROM THE VENEZUELAN GOVERNMENT WITH REGARD TO BOYCOTTING THE BUENOS AIRES MEETING.

Q: I MEAN, IN YOUR STATEMENT ABOUT THE INEQUITY?

A: YES.

Q: IN OTHER WORDS, YOU FEEL THE INEQUITY IS ALSO AGAINST

VENEZUELA. YOU MENTIONED VENEZUELA LATER ON.

A: I MENTIONED ECUADOR AS AN EXAMPLE. AND I MENTIONED VENEZUELA LATER ON, BECAUSE AS WE HAVE SAID HERE, "AS IN THE CASE OF ECUADOR, AS WELL AS OUR HISTORIC TIES OF COOPERATION THROUGHOUT THE HEMISPHERE," INCLUDING OBVIOUSLY VENEZUELA, TOO.

Q: AS A MATTER OF RECORD -- DOES THE SECRETARY ALSO

BELIEVE THAT? IN OTHER WORDS, WHAT IS HIS VIEW ABOUT THE SAME PROVISIONS AS APPLYING TO THE OTHER OPEC COUNTRIES, LIKE INDONESIA, NIGERIA. YOU HAVE ONLY REFERRED TO LATIN AMERICAN COUNTRIES.

A: THAT'S RIGHT. WELL, I REFERRED TO LATIN AMERICA BECAUSE THE QUESTIONS THAT I RECEIVED, AND THE PRESS OFFICE RECEIVED, WERE WITH REGARD TO STATEMENTS MADE IN ECUADOR AND VENEZUELA.

Q: IN OTHER WORDS, DOES THE SECRETARY THINK THIS WHOLE PROVISION SHOULD BE REMOVED?

A: YES, HE DOES, AND HE SO TESTIFIED IN THE PAST.

Q: THE LEGISLATION REFERS SPECIFICALLY TO COUNTRIES,
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MEMBERS OF AN ORGANIZATION WHICH EITHER WITHHOLD MATERIALS OR UNFAIRLY RAISE PRICES. NOW, BY SINGLING OUT ECUADOR, ARE YOU LEAVING VENEZUELA IN A SECONDARY POSITION BECAUSE OF ITS LEADERSHIP IN THE PRICE RISE WITHIN OPEC.

A: THERE IS NO INTENTION IN THIS STATEMENT TO LEAVE VENEZUELA IN A SECONDARY POSITION, NO. I USED ECUADOR, AS I SAID EARLIER, AS AN EXAMPLE. I CAN'T GIVE YOU ANY OTHER COMMENT OTHER THAN THAT.

Q: WHEN REPRESENTATIVES OF THE DEPARTMENT GO TO TALK TO CONGRESSIONAL LEADERS, WHAT ARE YOU GOING TO ASK THEM TO DO -- PASS A NEW TRADE BILL, OR AMEND IT? WHAT ARE YOU GOING TO LOOK FOR?

A: I THINK AT THIS STAGE I WOULD RATHER JUST LEAVE IT AS I SAID HERE AT THE END, THAT WE ARE GOING TO BE TALKING WITH CONGRESSIONAL LEADERS TO SEE WHAT CAN BE DONE. I DON'T WANT TO GET INTO DETAILS BECAUSE I HONESTLY CAN'T GIVE YOU ANY DETAILS ON WHAT AVENUES MAY BE EXPLORED. BUT WE ARE GOING TO INVESTIGATE.

Q: ON A BROADER QUESTION, DOES THE UNITED STATES GOVERNMENT, OR DOES THE STATE DEPARTMENT FAVOR CONTINUING AID TO COUNTRIES LIKE ECUADOR --

A: I'M SORRY, COUNTRIES LIKE?

Q: ECUADOR, WHICH YOU POINT OUT ARE IN NEED, DESPITE THE FACT THAT THEY ARE MEMBERS OF OPEC?

AS I SAID HERE, A POOR COUNTRY, THE ANSWER WOULD BE YES.

Q: AND THAT WOULD GO FOR --

A: IT WOULD DEPEND UPON THE NEEDS OF THE COUNTRIES CONCERNED. I THINK THAT WOULD BE THE GOVERNING PROVISION ON THE QUESTION OF AID.

Q: HOW ABOUT INDONESIA, NIGERIA, THOSE COUNTRIES?

A: I JUST DON'T KNOW THE SITUATION WILL ENOUGH IN UNCLASSIFIED

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INDONESIA.

Q: NEITHER ONE OF THOSE COUNTRIES IS VERY POOR.

A: THAT'S RIGHT.

Q: COULD YOU TAKE THAT QUESTION?

A: LET ME LOOK INTO IT.

Q: I AM A LITTLE UNCLEAR NOW. IS IT YOUR UNDERSTANDING THAT VENEZUELA IS GOING TO BOYCOTT THE B.A. MEETING? DO YOU HAVE ANY IMPRESSION ON THAT?

A: NO, I DON'T HAVE ANY INFORMATION OTHER THAN WHAT YOU AND I AND ALL OF US HAVE SEEN IN THE PRESS. I THINK THERE WAS SOMETHING TODAY.

Q: AS FAR AS YOU KNOW OFFICIALLY, VENEZUELA WILL BE THERE?

A: I HAVE NO INFORMATION TO THE CONTRARY. LET ME PUT IT THAT WAY. THAT IS AS FAR AS I CAN GO.

Q: WOULD YOU CHARACTERIZE THE ECUADOREAN FOREIGN MINISTER'S LETTER AS A PROTEST? OR IF YOU DON'T WANT TO CHARACTERIZE HIS LETTER, COULD YOU SAY WHETHER WE HAVE RECEIVED OFFICIAL NOTES OF PROTEST FROM ANY COUNTRIES ABOUT THIS?

A: I AM UNAWARE OF ANY OFFICIAL NOTES OF PROTEST FROM ANY COUNTRIES WITH REGARD TO THIS. I ANSWERED WITH REGARD TO THE LETTER FROM THE FOREIGN MINISTER OF ECUADOR. I GAVE NO COMMENT EARLIER, AND I WILL JUST STAND ON THAT. I CAN'T TAKE IT ANY FURTHER. KISSINGER UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PFOR
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE003593
Document Source: CORE
Document Unique ID: 00
Drafter: IO:DLCARDWELL:HS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750155/aaaabwmc.tel
Line Count: 283
Locator: TEXT ON-LINE
Office: ORIGIN IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 22 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 SEP 2003 by SmithRJ>; APPROVED <31 DEC 2003 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS GUIDANCE ON TRADE REFORM ACT
TAGS: VE, CU
To: USUN NEW YORK
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006